



CALIFORNIA High-Speed Rail Authority

Business Advisory Council (BAC) Summary Meeting Notes for May 8, 2018

Summary Notes

1500 Capitol Avenue Sacramento, CA 95814

Members Present:

Association	Primary	Alternate
ACEC	Arvin Chaudhary	
AICC		
AAAE		Ming-Chen Yu
AAa/e	Linden Nishinaga	
AGC	John Cooper	
CBCC		
CMAA		
OMTO	Walter Allen	
DVBA	Laura Uden	
GFACC		
KMCA		Nick Hill
LRRT	Paul Guerrero	
LBA	Leonard Ortiz	
NAACP		
NAMC		
NCA		
SFAACC	Fred Jordan	
SAME	Nathan Rockwood	
USPAACC	Prakash Daryani	
WCOE	Lee Cunningham	
WTS	Shari Tavafrashti	

Council Chair: Alice Rodriguez

Absent Seat(s): Adam Holt (AICC), Aubry Stone (CBCC), Esther Shaw (CMAA), Debbie Hunsaker (GFACC), Betty Williams (NAACP), Pete Varma (NAMC), Diana LaCome (NCA)

California High-Speed Rail Authority (Authority) Team Present: Ofelia Alcantara – Director of Structures, Paula Rivera – Chief Auditor, Jose Camarena – Contract Compliance Administrator, Ivor Newman – SB Outreach Coordinator, Karen Massie – Information Officer, Darin Kishiyama – Supervising Transportation Engineer, Mark Evans – (DB Engineering), Alex McCracken – SB and Title VI Programs Manager, Kasaundra Duncan – Title VI Technical Associate, Meilani Sabadlab – SB Technical Associate

Guests: Maurice Young (CP 1), Bjorn Nilsen (DFJV), Abigail Brown (CPM Logistics), Danielle Gonzales (Beacon Team), Leslie Finnigan (Universal Field Services), Stephen Boll (Kleinfelder), Zalina Kotaeva (Associated Right of Way Services)

I. Welcome and Introductions (Alice Rodriguez)

- Council Chair, Alice Rodriguez, called the meeting to order at 1:06 PM.
- Ms. Rodriguez welcomed and thanked everyone for attending the meeting and proceeded to provide a brief overview of the meeting agenda.
- Ms. Rodriguez concluded opening remarks with whole room introductions, including participating High-Speed Rail Staff:
 - Mark Evans – Vice President of DB Engineering and Consulting USA. (Early Train Operator)
 - Paula Rivera – Chief Auditor
- Ms. Rodriguez also provided a quick overview of the changes concerning the Authority's Executive Staff, including the following:
 - Brian Kelly, CEO
 - Joe Hedges, Chief Operating Officer
 - Pam Mizukami, Chief Deputy Director
 - Jeannie Jones, Chief Administrative Officer
 - Boris Lipkin, Interim Northern Regional Director
- Ms. Rodriguez mentioned the Authority's application for National Environmental Policy Act (NEPA) and encouraged all BAC Members and their respective associations to write a letter of support. Ms. Rodriguez stated she would distribute pertinent information to all Members.
- She continued to review the meeting agenda and discussed the reports/handouts provided in the BAC Member Packets. Mr. Jose Camarena gave a detailed explanation of the following:
 - Small Business Summary Reports
 - Design Build Reports
 - Small Business Master List
 - SR-99 Small Business Utilization Report
 - Design-Build Small Business Utilization Data
 - Small Business Utilization Report

BAC Members Questions and Concerns:

- Member Ortiz asked Mr. Evans how the BAC can be of assistance to their needs. Mr. Evans stated, as the Early Train Operator's (ETO) roles and responsibilities are developed, he will be sure to include the Authority's BAC while working towards attaining the small business participation goals. He expanded that the purpose of the ETO is to transfer high-speed rail operation expertise, to sustain California employment.
- Member Nishinaga inquired if Mr. Kelly was "demoted" in his acceptance of the CEO position at the Authority. Ms. Rodriguez responded, that Mr. Kelly now has a voice in the project while engaging directly with the Authority's Board of Directors, and does not see this as a demotion.
- Member Daryani asked what office Mr. Lipkin will be working from. Ms. Rodriguez noted, Mr. Lipkin would be working from the Northern Regional Office in San Jose.
- Member Cunningham inquired where Mr. Lipkin is from, implying the Northern Regional Director needs to possess relationships in the Silicon Valley and surrounding areas to be successful in his role. Ms. Rodriguez assured Ms. Cunningham that Mr. Lipkin is from the Berkeley area and understands the importance of her concern.
- The Council requested that the new members of the Executive Team address the council at a future meeting to discuss the capacity of their roles.
- Mr. Nilsen (DFJV) asked if the Master List included "Request to Add" (RTA) firms. Mr. Camarena

explained, since there is an executed agreement in place, the list does include RTA firms.

- Member Ortiz asked if firms remained on the Small Business Master List once their portion of work was completed. Mr. Camarena stated firms do drop from the list, however, that there are many reasons why a small business could be removed from this list including termination, and that there is a separate report that captures overall utilization.
- Member Tavafrashti questioned how often the Compliance Team verifies a small businesses certification. Mr. Camarena mentioned that the Authority expects the Prime Contractor to communicate with the small businesses and continuously monitor certifications. Mr. Camarena mentioned that certifications are counted based on the time of signing during an executed contract. Therefore, if a firm outgrows their small business status, their certification will still be counted. Mr. Nilsen stated that part of CP 2-3's change order process includes reviewing and monitoring certifications.
- Member Cunningham questioned why the Authority accepts an out of state DBE certification and not a SBE certification. Ms. Rodriguez responded that the Authority accepts the 8(a) certification, issued by our recognized federal partner, the Small Business Administration. Member Cunningham referred to the Member Packet and continued to state the Authority's outreach efforts are targeted to DBEs and encouraged a change to our outreach methods.
- Member Uden requested access to the performance plans of the Authority's major Primes including the Design-Builders and RDP contract. Mr. Camarena mentioned these are documents his team can provide to the Council.
- Member Tavafrashti requested that the Small Business Master List identify the firms by professional service, construction or vendor – similar to the Design-Build Small Business Utilization Data. Additionally, she requested that all reports be distributed electronically.
- Member Jordan requested a breakdown of all identified DBES, specifically African-American firms, including their contract value. Mr. Camarena mentioned he could distribute this information to Mr. Jordan.
- The Council requested clarification concerning the Brown and Keene Act, if either Act applied to the BAC Council and its respective Committees. Ms. Rodriguez stated that the team would research and get back to the Council.

II. Approval of February 2018 Business Advisory Council Meeting Minutes (Alice Rodriguez)

- Ms. Rodriguez apologized for the delayed distribution of the Meeting Minutes and mentioned the Team makes every effort to meet the BAC's requests. She continued to ask if there were any questions or concerns regarding the February 2018 meeting minutes.
- Mr. Young (TPZP) raised concern with the minutes, as his portion of his report out was misinterpreted. Ms. Sabadlab agreed to make edits as necessary.
- Member Guerrero motioned to postpone the approval of the February 2018 minutes until the next meeting.
- Member Ortiz seconded the motion.
- The motion was passed to postpone the approval of the February minutes during the August meeting.

III. Pre-award Evaluation Presentation (Paula Rivera)

- Ms. Rivera covered the following topics during her presentation:
 - Performance Audits
 - Compliance Audits
 - Contract Compliance Audits
 - Pre-award Evaluations
- Ms. Rivera's presentation can be found on the Authority's BAC webpage at, http://hsr.ca.gov/Programs/Small_Business/business_advisory_council.html, under "Business Advisory Council Meeting Agendas & Minutes."

BAC Members Questions and Concerns:

- Member Cunningham asked if pre-award evaluations are conducted for construction. Ms. Rivera responded that pre-awards are not done for construction contracts.
- Mr. James (DFJV) questioned if the firms listed on the Small Business Utilization Report were subject to the pre-award evaluation. Ms. Rivera said, no pre-award evaluations were necessary because price negotiations were determined during the Request for Proposal (RFP) process.
- Member Nishinaga inquired about time and material contracts and asked if the evaluation team monitored that the cost of the contract did not exceed a certain amount. Ms. Rivera explained that the evaluation team members are not project managers and/or engineers, and that while these are important items to consider, such factors are not considered during the time of a pre-award evaluation.
- Member Nishinaga asked how the RDP contract came to be so "grand" with a contract value of \$700 million. Ms. Rodriguez responded that projections were based during the time of agreement. However, Ms. Rivera now herself were the appropriate individuals to address this concern.
- Member Jordan commented that although the Authority was not practicing Safe Harbor, he was relieved to learn that each firm is evaluated uniquely based on their practices. He then asked, at what point does the evaluation team conduct a mid-term evaluation? Ms. Rivera answered that it depends. Most contracts are between 3-5 years in length.
- Member Nishinaga questioned why the Authority does not accept provisional rates. Ms. Rivera said, it all depends on the type of work history and prices of similar entities. The kind of contracts the Authority has are based on actual cost. Therefore, provisional rates do not comply with the Authority's contracts.
- Member Uden asked about firms with no history. Ms. Rivera mentioned that the firm would be evaluated based on the known factors such as rent and insurance. All evaluations are based on actual cost, the evaluation team does not project or budget anything during the pre-award evaluation.
- Member Daryani questioned why the Authority couldn't adopt provisional rates like Caltrans. Ms. Rivera emphasized all contracts are based on actual cost, nothing is estimated. The Authority is not in the business of settling on a rate that another entity decided.
- Member Nishinaga requested Ms. Rivera to provide her response in writing, regarding provisional rates. Ms. Rivera accepted his request.
- Member Daryani asked about escalation rates. Ms. Rivera stated that escalation rates are negotiated between the Prime and the Authority and that the evaluation team is not part of the negotiation process.

IV. Business plan Update (Alice Rodriguez)

- Ms. Rodriguez provided an overview of the Draft 2018 Business Plan, covering the following:
 - New Approach
 - New Baseline Estimates
 - Phased Valley to Valley Line
 - Isolate Pacheco Pass Tunnels
 - Invest in Southern California
 - Bookend Investments
 - Early Mobility Benefits
 - Environmental Review
- Ms. Rodriguez's presentation can be found on the Authority's BAC webpage at, http://hsr.ca.gov/Programs/Small_Business/business_advisory_council.html, under "Business Advisory Council Meeting Agendas & Minutes."

BAC Members Questions and Concerns:

- Member Cunningham inquired about the status of the recently revised 2012 Small Business Program Plan and encouraged to include a clear definition of a supplier. Ms. Rodriguez stated that the Authority has a draft and is waiting for a fully staffed team before proceeding forward, specifically the replacement of the Small Business Advocate.

V. Project Updates

Construction Package 1 (Maurice Young, TPZP)

- Mr. Young reported, not much has changed since the last February BAC Meeting.
- CP 1 is continuing progress of the San Juan Viaduct, as this is their main focus.
- TPZP's recent Change Order affected their small business participation goals, however, they project a 31 percent small business participation goal.
- Challenges TPZP continues to face include the timeliness and accuracy of certified payroll.

BAC Members Questions and Concerns:

- None

Construction Package 2-3 (Bjorn Nilsen, DFJV)

- DFJV commits to have 13 different construction sites by fall including additional embankment and abutments for bridge crossings.
- CP 2-3 currently has approximately \$18 million dollars of contracting in process.
- DFJV is in desperate need of individuals who can build bridges, and encouraged the BAC to pass this contact information to their associations. Mr. Nilsen also emphasized their demand for skilled workers in the irrigation industry.

BAC Members Questions and Concerns:

- None

Construction Package 4 (Laura Uden, on behalf of HNTB)

- Ms. Uden mentioned that design is about 90% complete for CP 4.
- CP 4 is getting a jump start on early construction, clearing and grubbing, and demolition.

- There has been minor work on the abutments structures.
- Most recently CP 4 was shut down for about 2 weeks by fish and wild life due to permitting issues, however, concerns have been resolved and they are back to operation.

BAC Members Questions and Concerns:

- None

VI. Committee Meeting Updates

Professional Services Committee (Committee Chair, Linden Nishinaga)

- The Professional Services Committee addressed the following topics during the Full Council:
 - Requested that the Authority develop a Dispute Resolution and Appeal process.
 - Requested the Authority implement the 30/10/3 split between professional services and construction on Design-Build contracts.
 - Requested that payment notifications to our Primes' be distributed or posted for viewing.
 - Requested to implement the small business goals on third party agreements.
 - Mentioned that they are working to finalize their grievance letter to CEO, Brian Kelly and will be sure to distribute a final version to the Small Business Team.

Construction Committee (Lee Cunningham):

- The Construction Committee addressed the following topics during the Full Council:
 - The Committee is looking to hold Committee elections in August.
 - Requested that Members of the BAC present/report to the Board of Directors.
 - Requested to view the escalation clauses in Authority/Prime and Prime/Sub contracts.
 - Requested the Primes to bring a sub to the Council Meetings to receive direct input regarding their experience on the project.

VII. Administrative Items (Meilani Sabadlab)

- Ms. Sabadlab provided a quick overview of Letters of Affirmation and Travel Expense Claims (TEC).
- Ms. Sabadlab noted. Letters of Affirmation are due annually and are one (1) of the required documents necessary for BAC travel reimbursement eligibility.
- The Authority is approaching its year-end closing schedule. Therefore, all TECs for May and prior BAC Meetings are due to Meilani Sabadlab by Monday, May 21, 2018.
- Ms. Sabadlab's presentation can be found on the Authority's BAC webpage at, http://hsr.ca.gov/Programs/Small_Business/business_advisory_council.html, under "Business Advisory Council Meeting Agendas & Minutes."

BAC Members Questions and Concerns:

- None

VIII. Member and Public Comment and Adjournment

- Member Cunningham motioned the meeting to end.
- Member Daryani seconded.
- The meeting was adjourned by Ms. Rodriguez at 4:09 PM.